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RUEHKA/AMEMBASSY DHAKA 4819  
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RUEHUL/AMEMBASSY SEOUL 8149  
RUEHKO/AMEMBASSY TOKYO 5710  
RUEHCN/AMCONSUL CHENGDU 1413  
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UNCLAS SECTION 01 OF 03 RANGOON 000277

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SUBJECT: BURMA: THE ECONOMICS OF WATER FESTIVAL

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¶1. (SBU) Summary. Burmese Water Festival is the one time of year when the Burmese are able to relax and have a good time with little fear of government repression. The Burmese save their money all year for this holiday, and may spend between 10,000 to 100,000 kyat (approximately \$10-100) to participate in the five-day festivities. Economic analysts agreed that the holiday is good for Burma's economy, as day laborers find work constructing wooden stages or pandals for water throwing events, car owners earn money by renting cars to revelers, and food hawkers are able to sell their goods to the masses celebrating in the streets. However, economists pointed out that due to higher prices for food and transportation, coupled with Burma's weakening economy, this year's Water Festival, which occurred April 11-17, was likely not as successful for the pandal operators as in previous years. Construction workers and food hawkers were the real economic winners during this Water Festival period. The fact that many Burmese were willing to spend the equivalent of two months' salary shows what they would do to escape the realities of living under the repressive Than Shwe regime. End Summary.

A Time for Fun  
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¶2. (U) Burmese Water Festival or Thin Gyan, the country's most famous holiday, is a time when Burmese people can relax and enjoy themselves with little threat of government retribution. During the week-long holiday, which occurred from April 11-17, stores, offices, and restaurants closed, allowing the Burmese to enjoy the festivities. While some Burmese went on pilgrimages to their favorite pagodas, most participated in the traditional water throwing events. In Burma, throwing water on someone cleanses the soul before Buddhist New Year. However, throwing water is a misnomer. The Burmese take Water Festival to new heights,

constructing wooden stalls with water cannons and spray fire hoses so that participants can hose down anyone close by. For six days, the Burmese crowd the streets, riding around in open cars, climbing up on stages, and dousing their friends with water.

#### Let the Construction Begin

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13. (U) During the week before Water Festival, we witnessed intense preparations throughout Rangoon for the pending holiday. This year, the Yangon City Development Committee (YCDC), the government organization responsible for city development and management, issued approximately 250 licenses for the construction of pandals, or wooden stages for water throwing - a decrease of 12 percent from last year. According to former Yangon City Development Committee (YCDC) Water Festival Organizer Pauk Pauk, persons interested in building a pandal had to submit building plans and requests to YCDC in March and pay a license fee of between 60,000-200,000 kyat (\$60-\$200), depending on the size of the pandal. He admitted that YCDC officials tended to grant licenses to their friends and those connected to the government, who in turn resold their licenses for between 1.5 million and 3 million kyat (\$1,500-\$3,000), earning a profit of up to 1400 percent. Organizers of the BANZAI pandal informed us that they paid 3 million kyat for their license, which allowed them to construct a 45' by 30' wooden stage, complete with four water pumps and generators. The YCDC official they bought the license from earned 1.5 million kyat in profit.

14. (SBU) Despite the high cost of the construction license, raw materials, and labor fees - averaging 15 million kyat (\$15,000), most pandal organizers make a profit, Pauk Pauk observed. The biggest pandals obtain sponsorship from prominent local businesses, such as Myanmar Beer, Alpine Water, or Air Bagan, which allows the operator to recoup some of the costs. Ye Lwin, former organizer of the Alpine pandal, explained that Alpine pays 2 million kyat

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(\$2,000) for sponsorship. Sponsorship also helps attract bands and entertainers to the pandal, which in turn increases the number of Burmese that want to participate in the pandal's activities. The cost of standing on a pandal and using the water hoses to spray revelers runs between 10,000 kyat a day to 80,000 kyat a day. Some pandals offered discount tickets, enabling people to participate in pandal activities for multiple days. Selling tickets is the best way to recoup money, Ye Lwin declared. In 2008, the largest pandals, which charged an average of 45,000 kyat a day, sold more than 300 tickets for each day, bringing in an estimated profit of more 65 million kyat (\$65,000) for five days.

15. (SBU) Construction of a pandal takes up to ten days, and pandal organizers tend to hire day laborers from the poorer areas of Rangoon (Hlathaya, Shwepyitha, and Thaketa). The BANZAI pandal organizers told us on April 9 that approximately 4,000 day laborers found work immediately before Water Festival, earning between 1,500 and 3,000 kyat a day - the bigger pandals with sponsorship paid more than the smaller pandals. Most pandal organizers provided transportation for the day laborers, as well as some meals. However, laborers worked for up to 18 hours a day and construction often continued well into the night.

16. (SBU) Local car dealers and car owners also profit from Water Festival, Pauk Pauk stated. The Burmese who could not afford to stand on pandals and spray water often traveled around the city in cars or trucks to be sprayed. In the weeks before Water Festival, we saw local car owners repairing and maintaining their vehicles, while others were advertising jeep rentals at approximately 100,000 kyat (\$100) a day. During conversations with Burmese who rented cars this year, we learned that the cost of rentals was approximately 15 percent higher than last year. Due to higher rental and gas prices (approximately 5,000 kyat or \$5 a gallon on the black market), the number of car and jeep rentals was likely lower than last year, Pauk Pauk opined. Indeed, we saw many Burmese traveling around Rangoon in large trucks, which charged 3,000 kyat a day and held up to 25 people.

17. (SBU) In addition to granting permits for construction, YCDC

also sells permits for hawkers to set up food stalls close to the pandals. Pauk Pauk explained that the permits were relatively inexpensive, only 10,000 kyat (\$10) for the entire Water Festival period. Unlike the pandal construction licenses, YCDC did not limit the number of food stall permits issued in 2008. In the past, food sellers earned a profit during Water Festival, Ye Lwin noted. This year was no different, as several hawkers stationed around Inya Lake (the most popular area for water throwing) told us they earned up to 25,000 kyat (\$25) a day selling food and drinks to construction crews and revelers. Hawkers who sold food during Water Festival and the 10 days leading up to the holiday likely earned more than 300,000 kyat (\$300) for the period, although this amount was likely less than last year's profits, Ye Lwin stated.

#### The Event of the Season

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¶18. (SBU) Many of the Burmese people we spoke to, particularly the younger generation, told us that they waited all year for Water Festival, saving their money so they could have a good time. Renting a car or riding around on a truck is the most inexpensive way to enjoy Water Festival, several enthusiasts told us. Riding in a truck can cost at least 15,000 kyat for the five-day period, while car rental costs depend on how many people fit into the jeep, they noted. Participating in pandal activities is more expensive and more prestigious. A Burmese person who purchases a multi-use ticket for a small pandal can spend up to 75,000 kyat (\$75) for the five-day period, almost three times the average monthly wage. Those with higher disposable incomes may pay much more.

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¶19. (SBU) In general, the high costs of participation do not deter the Burmese, and those who cannot afford Water Festival look for ways to borrow or earn the money before the festivities begin. Several participants told us that they took on extra work, including construction or delivery work, to earn enough money for Water Festival. Others told us that they borrowed money from friends and family members so they could play. Water Festival is the most important time of the year and the only chance to enjoy themselves, they explained. Thus, they would do what they could to participate.

#### As Profitable as Last Year?

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¶10. (SBU) While there are no official figures on the profits and losses of Water Festival, several of our economic contacts opined that this year's festivities were not as profitable as previous years. Burma's floundering economy, coupled by high costs of commodities and fuel, meant that people had less disposable income, Professor U Maw Than of the Rangoon Institute of Economics explained. Indeed, while there were many people out in the streets, fewer people participated in pandal activities, several organizers complained to us. Still, the organizers we talked to were confident that they made a profit, although not as much as last year. YCDC earned less from selling licenses, since they sold approximately 35 fewer licenses than last year. Day laborers and food stall operators, who generally earn \$1 a day during the rest of the year, were the real winners, U Maw Than pointed out.

#### Comment

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¶11. (SBU) Water Festival is the one time of the year that the Burmese people can escape from the repressive reality of living under the Than Shwe regime. The fact that many Burmese will spend an enormous amount of their yearly income - at least two month's salary - shows that they will go to great lengths to forget, even for five days, their current troubles. The regime benefits as well by letting people spray away their frustrations.

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